



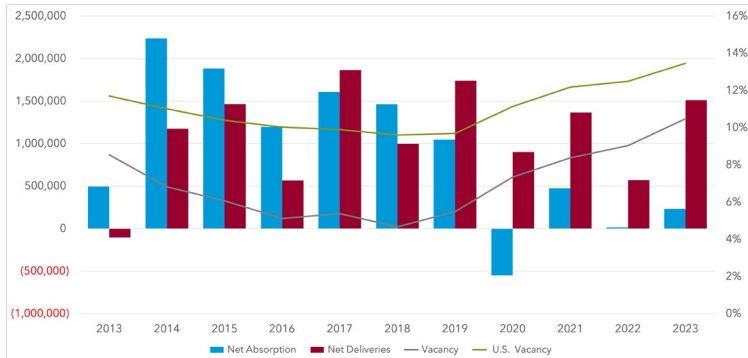
OFFICE MARKET OVERVIEW

BRIAN FARMER, SIOR, *Managing Director, Principal*

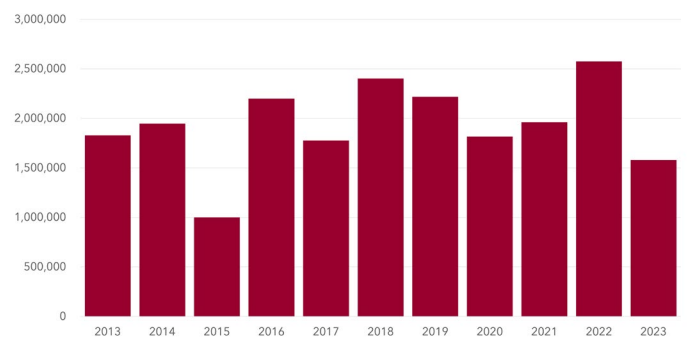
Investors and builders favor the Raleigh/Durham metro, due to population and economic growth, in-migrations, corporate relocations, and labor force growth, which is well above national averages. The Raleigh/Durham metro, classified as a “Magnet Supernova” market, received high rankings in the PwC ULI 2024 “Emerging Trends in Real Estate” survey. Like 2023, the office market in Raleigh will be challenging due to high interest rates, slow return to office, and debt vulnerabilities. Rent growth, absorption, lease size, transaction volume and market prices will present challenges and opportunities.

MARKET INDICATORS	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022
▲ 12 Mo. Net Absorption SF	232,704	(161,925)	(619,749)	(562,253)	14,709
▲ Vacancy Rate	10.5%	10.0%	9.7%	9.9%	9.0%
▲ Avg NNN Asking Rate PSF	\$29.68	\$29.58	\$29.35	\$29.15	\$28.88
▼ SF Under Construction	1,580,169	2,152,800	2,810,344	2,706,714	2,576,047
▲ Inventory SF	78,945,314	78,337,333	77,567,241	77,507,871	77,432,721

NET ABSORPTION, NET DELIVERIES, & VACANCY



UNDER CONSTRUCTION



TOP SALE TRANSACTIONS BY SF	SIZE	SALE PRICE	BUYER / SELLER	BUILDING CLASS
305 Church @ North Hills St Midtown Plaza, Raleigh, NC	329,613 SF	\$132,900,000 \$403.20 PSF	Crescent Real Estate LLC Lionstone Partners LLC	Class A
3237 Blue Ridge Road Raleigh, NC	48,000 SF	\$17,765,000 \$370.10 PSF	Wake Internal Medicine Consultants The Keith Corporation	2023 Construction
2400 Weston Parkway Cary, NC	31,383 SF	\$10,000,000 \$318.64 PSF	Bobbitt Construction North Carolina	Class B

TOP LEASE TRANSACTIONS BY SF	SIZE	LANDLORD	TENANT	TENANT INDUSTRY
2250 Perimeter Park Morrisville, NC	78,588 SF	Mapletree	Mercalis	Biopharma
1600 Perimeter Park Drive Morrisville, NC	22,544 SF	1600 Perimeter Park LLC	IXL Learning	Professional Scientific Technical Services
621 Hillsborough Street Raleigh, NC	19,794 SF	City Office REIT, Inc	Deloitte	Professional Scientific Technical Services

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